

106TH CONGRESS  
2D SESSION

# H. R. 5602

To amend the Internal Revenue Code of 1986 to allow a refundable credit to grandparents who provide primary child care services without compensation for their grandchildren who are not their dependents.

---

## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 30, 2000

Ms. DELAURO (for herself and Mr. MALONEY of Connecticut) introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to allow a refundable credit to grandparents who provide primary child care services without compensation for their grandchildren who are not their dependents.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Grandchild Care Tax  
5       Relief Act of 2000”.

1 **SEC. 2. REFUNDABLE CREDIT TO GRANDPARENTS PRO-**  
2 **VIDING PRIMARY CHILD CARE FOR GRAND-**  
3 **CHILDREN NOT THEIR DEPENDENTS.**

4 (a) IN GENERAL.—Subpart C of part IV of sub-  
5 chapter A of chapter 1 of the Internal Revenue Code of  
6 1986 (relating to refundable credits) is amended by redes-  
7 ignating section 35 as section 36 and by inserting after  
8 section 34 the following new section:

9 **“SEC. 35. GRANDPARENTS PROVIDING PRIMARY CHILD**  
10 **CARE FOR GRANDCHILDREN WHO ARE NOT**  
11 **THEIR DEPENDENTS.**

12 “(a) IN GENERAL.—In the case of an individual,  
13 there shall be allowed as a credit against the tax imposed  
14 by this chapter for the taxable year an amount equal to  
15 \$500 with respect to each qualifying grandchild for whom  
16 the taxpayer or the spouse of the taxpayer provides, with-  
17 out compensation, primary child care services during the  
18 taxable year.

19 “(b) QUALIFYING GRANDCHILD.—For purposes of  
20 this section, the term ‘qualifying grandchild’ means any  
21 individual—

22 “(1) with respect to whom the taxpayer is not  
23 allowed a deduction under section 151 with respect  
24 to such individual for the taxable year,

1           “(2) who has not attained the age of 16 as of  
2           the close of the calendar year in which the taxable  
3           year of the taxpayer begins, and

4           “(3) who is a descendent of a son, daughter,  
5           stepson, or stepdaughter of the taxpayer or is a fos-  
6           ter child of such a descendent, son, daughter, step-  
7           son, stepdaughter.

8           For purposes of paragraph (3), the term ‘foster child’  
9           means a child who is placed by an authorized placement  
10          agency.

11          “(c) PRIMARY CHILD CARE SERVICES.—For pur-  
12          poses of this section, an individual provides primary child  
13          care services for a taxable year if the individual provides  
14          such services for not less than 30 hours per week for 48  
15          weeks of the taxable year.

16          “(d) SPECIAL RULES.—For purposes of this  
17          section—

18                 “(1) DECEASED SPOUSE OR FORMER  
19                 SPOUSE.—In the case of a taxpayer whose spouse is  
20                 deceased or is a former spouse of the taxpayer, sub-  
21                 section (b)(3) shall be applied by substituting ‘or de-  
22                 ceased or former spouse of the taxpayer’ after ‘tax-  
23                 payer’ each place it occurs.

24                 “(2) IDENTIFICATION REQUIREMENT.—No  
25                 credit shall be allowed under this section to a tax-

1 payer with respect to any qualifying grandchild un-  
 2 less the taxpayer includes the name and taxpayer  
 3 identification number of such qualifying grandchild  
 4 on the return of tax for the taxable year.

5 “(3) TAXABLE YEAR MUST BE FULL TAXABLE  
 6 YEAR.—Except in the case of a taxable year closed  
 7 by reason of the death of the taxpayer, no credit  
 8 shall be allowable under this section in the case of  
 9 a taxable year covering a period of less than 12  
 10 months.”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) Paragraph (2) of section 1324(b) of title  
 13 31, United States Code, is amended by inserting be-  
 14 fore the period “, or from section 35 of such Code”.

15 (2) The table of sections for subpart C of part  
 16 IV of subchapter A of chapter 1 of the Internal Rev-  
 17 enue Code of 1986 is amended by striking the last  
 18 item and inserting the following new items:

“Sec. 35. Grandparents providing primary child care for grand-  
 children who are not their dependents.

“Sec. 36. Overpayments of tax.”.

19 (c) EFFECTIVE DATE.—

20 (1) IN GENERAL.—The amendments made by  
 21 this section shall apply to taxable years beginning  
 22 with or after the taxable year with respect to which  
 23 the conditions specified in paragraph (2) are satis-  
 24 fied.

1           (2) TRIGGER MECHANISM.—The conditions  
2 specified in this paragraph are the following:

3           (A) The credit under section 21 of the In-  
4 ternal Revenue Code of 1986 (relating to ex-  
5 penses for household and dependent care serv-  
6 ices necessary for gainful employment)—

7                   (i) is refundable,

8                   (ii) is available at a maximum level to  
9 those with an adjusted gross income limit  
10 of not less than \$30,000 per year, indexed  
11 for inflation,

12                  (iii) is available at a minimal level to  
13 those with an adjusted gross income of not  
14 less than \$60,000 per year, indexed for in-  
15 flation, and

16                  (iv) is available to parents of infants  
17 ages 0-12 months without regard to out-of-  
18 pocket child care expenses of the parents.

19           (B) The maximum amount of employment-  
20 related expenses that can be taken into account  
21 under section 21 of such Code is indexed for in-  
22 flation.

1                   (C) The applicable percentage of expenses  
2                   that are allowed under section 21 of such Code  
3                   is increased to not less than 50 percent.

○